

NorCal Engineering
Soils and Geotechnical Consultants
10641 Humbolt Street, Los Alamitos CA 90720
(310) 799-9469 Fax (310)799-9459

December 12, 1996

McDonnell Douglas Realty Company
4060 Lakewood Boulevard
Building No. 801, Sixth Floor
Lakewood, California 90808

Attn: Mr. Mario Stavale

RE: **Proposal For Services** - Preliminary Geotechnical Investigation -
Proposed Harbor Gateway Distribution Warehouse Development -
Western Avenue and 190th Street, in the City of Los Angeles,
California

Dear Mr. Stavale:

Pursuant to your request, this proposal to perform a geotechnical engineering investigation at the above referenced location is hereby submitted. The purpose of this investigation is to evaluate the geotechnical conditions of the subject site and to provide recommendations for the proposed project as shown on the conceptual site plan by Derevere and Associates. A geotechnical engineering report will present the findings of our study along with conclusions and recommendations for development.

The investigation will include site reconnaissance, subsurface geotechnical exploration and sampling, laboratory testing, engineering analysis and preparation of a soils engineering report. The scope of services will not include fees for any subsequent construction inspections, testing, county or city plan reviews or additional reports other than described herein. In addition, this will not include costs for toxic or hazardous waste analysis.

Field Investigation

The investigation will consist of ten to twelve trenches by a backhoe to a maximum depth of 18 feet or refusal and five to eight borings by a truck mounted hollow stem auger to a maximum depth of 40 feet or refusal at accessible locations on the property. The location of the excavations will be placed as strategically as possible to coincide with the proposed area of development. All excavations will be backfilled with cuttings from the explorations. All underground utilities shall be located and visibly marked by owner prior to the field investigation, unless other arrangements for locating services by this firm are made. The client shall obtain all necessary permits, access agreements, including but not limited to, private road or site access and permission to conduct work.

Laboratory Tests

The laboratory testing will contain, but not be limited to the following tests:

1. Analysis and Classification
2. In-place Moisture/Density Tests
3. Maximum Density Tests
4. Direct Shear Tests
5. Consolidation Tests
6. Expansion Tests
7. Sulfate Tests

Our laboratory tests will enable us to provide you with soils engineering analysis to determine bearing capacities for foundations, estimated settlement analysis, allowable frictional and passive resistance, reinforcement requirements and temporary slope stability analysis slab and pavement design, and grading recommendations.

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Fees

Our fee for performing these geotechnical services at the subject site shall not exceed Three Thousand Dollars (\$3,000.00). The following is a breakdown of our services:

Field Exploration and Sampling	\$1,500.00
Laboratory Analysis	\$1,000.00
Engineering Calculations	\$250.00
Compilation of Report	<u>\$250.00</u>
TOTAL AMOUNT	\$3,000.00

Additional expense may be incurred for deeper or supplementary exploratory borings if warranted by our initial investigation. Client shall be notified in advance of any additional charges. Any additional time needed for drilling will be charged at a hourly basis. The required drilling, testing and report will be performed in accordance with and utilizing the normal amount of care as generally accepted throughout the soils/geotechnical industry.

Payment shall be due and payable within 30 days of completion of report. If payment is delinquent for more than 30 days, a 11/2% interest rate, per month, will be added to the charges. Reasonable attorney fees will be added if legal action is necessary to collect the outstanding balances.

If all conditions presented in this proposal are acceptable, please sign below and return one copy to NorCal Engineering. All necessary lien information (see attached form) must also be provided by client prior to commencement of work on the project. These fees are valid for a maximum period of 90 days from the date of this proposal.

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We appreciate this opportunity to be of service to you. If you have any further questions, please do not hesitate to contact the undersigned.

Respectfully submitted,
NORCAL ENGINEERING

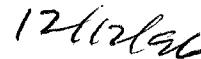


Scott D. Spensiero
Project Manager



Proposal and attached conditions accepted.

(Please sign and return one copy. Work will not commence until receipt of signed proposal and lien information.)



Date

NorCal Engineering

LIEN INFORMATION

(Must be completed in full prior to commencement of project)

Property Owner: McDonnell Douglas Realty Company
Address: 4660 Lakewood Blvd., 6th Floor
Long Beach, CA 90808
Phone Number: Mario Stawile (310) 627-3014

Lender: None
Address: _____

Phone Number: _____

General Contractor: McDonnell Douglas Realty Company
Address: Same As Above

Phone Number: _____

Send Invoices to: McDonnell Douglas Realty Company
Address: 4660 Lakewood Blvd., 6th Floor
Long Beach, CA 90808
Phone Number: (310) 627-3014
Fax Number: (310) 627-3109

NorCal Engineering

CONDITIONS

Right of Entry

under NorCal's Supervision
The client will provide for right of entry of NorCal Engineering's (NCE) personnel, and any other personnel and all equipment necessary in order to complete the work. NCE will take all reasonable precautions to minimize any damage to the property however, it is understood by Client that in the normal course of work, some damage may occur, the correction of which is not part of this agreement. The Client agrees to indemnify and hold harmless from any liability for any damage so caused by the performance of such work, unless caused by the ~~gross~~ negligence or ~~willful~~ misconduct of NCE or its personnel. *SMB*

Utilities

SMB In the prosecution of its work, NCE will take all reasonable precautions to avoid damage or injury to subterranean structures or utilities. The Client agrees to hold NCE harmless for any damage to subterranean structures which are not called to NCE's attention and fully and accurately described and located on the plans furnished. *When known by Client.*

Invoices

NCE will submit invoices to Client as stated in the proposal, or periodically, and a final invoice will be submitted upon completion of our services. All retainers are held for credit of the final invoice.

Indemnification

SMB NCE shall indemnify, defend and hold Client harmless from any and all claims, liabilities and causes of actions for injury to or death of any person, or for damage to or destruction of tangible property resulting from the sole negligent acts of NCE *or its agents, servants, licensees or employees.*

NCE and Client mutually agrees to indemnify and hold harmless each other from any and all claims, liabilities, cause of action for injury to or death of any person, or for damage to or destruction of tangible property resulting from the negligent acts or omissions of any contractors, subcontractors or consultants retained by or under the direction and control of that party.

Standard of Care

Services performed by NCE under this agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession providing similar services at the same time under similar conditions and locality.

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